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TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 03 - 11	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: September 1, 2003	
		5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)	
6. FEDERAL STATUTE/REGULATION CITATION:		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2004 (\$ 2,291,864) b. FFY 2005 (\$ 2,158,633)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT	
10. SUBJECT OF AMENDMENT: This amendment merges Targeted Case Management for Pregnant Women and Infants and the Texas Health Steps Medical Case Management programs. The merger of these two programs will result in a better quality of services and provide cost savings under the State Plan. The new case management service, known as Case Management for Children and Pregnant Women, will require prior authorization of services to ensure the quality of those services and to afford greater accessibility to services for both clients and providers. Cost savings are projected as a result of discontinuing payment for intake and reassessment services as separately billed benefits.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Sent to Governor's Office this date. Comments, if any, will <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL be forwarded upon receipt.			
12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>Jason Cooke by Rodney Lewis</i>		16. RETURN TO: Jason Cooke State Medicaid/CHIP Director Post Office Box 13247 Austin, Texas 78711 <i>Texas (03-11)</i> <i>Approved: 07/30/04</i> <i>Effective: 09/01/03</i>	
13. TYPED NAME: Jason Cooke			
14. TITLE: State Medicaid/CHIP Director			
15. DATE SUBMITTED: September 5, 2003			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 5 SEPTEMBER 2003		18. DATE APPROVED: 30 JULY 2004	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 SEPTEMBER 2003		20. SIGNATURE OF REGIONAL OFFICIAL: <i>Bill Barth for Andy Fredrickson</i>	
21. TYPED NAME: ANDREW A. FREDRICKSON		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIV OF MEDICAID & CHILDREN'S HEALTH	
23. REMARKS:			



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Division of Medicaid & Children's Health, Region VI

1301 Young Street, Room 833
Dallas, Texas 75202
Phone (214) 767-6495
Fax (214) 767-0322

30 July, 2004

Our Reference: **SPA-TX-03-11**

Mr. David J. Balland, Interim State Medicaid Director
Texas Health and Human Services Commission
Post Office Box 13247
Austin, Texas 78711

Dear Mr. Balland:

We have enclosed a copy of HCFA-179, **Transmittal Number 03-11**, dated September 5, 2003.

This amendment merges Targeted Case Management for Pregnant Women and Infants and the Texas Health Steps Medical Case Management programs into a new case management service known as Targeted Case Management for Children and Pregnant Women. We have approved the amendment for incorporation into the official Texas State Plan **effective September 1, 2003**. If you have any questions about this State Plan amendment approval, please call Joe Reeder at (214) 767- 4419.

Sincerely,

Andrew Fredrickson
Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosure



Attachment to Blocks 8 & 9 to HCFA Form 179

Transmittal No. TN 03-11, Amendment No. 646

Number of the
Plan Section or Attachment

Supplement 1 to Attachment 3.1-A

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Page 1D.1
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Attachment 4.19-B

Page 31
Page 31a
Page 31b

Number of the Superseded
Plan Section or Attachment

Supplement 1 to Attachment 3.1-A

Page 1D (TN 90-43)
Page 1D.1 (TN 90-43)
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Attachment 4.19-B

Page 31 (TN 90-43)
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Revision: HCFA-PM-87-4 (BERC)
March 1987

Supplement 1 to Attachment 3.1-A
Page 1D
OMB No.: 0939-0193

State Plan Under Title XIX of the Social Security Act

State/Territory: Texas

Case Management Services

A. Target Group: High risk pregnant women who are pregnant and have one or more high risk medical and/or personal/psychosocial condition(s) during pregnancy, and children birth through age 20 with a health condition/health risk.

B. Areas of the State in which services will be provided:

☒ Entire State

C. Comparability of Services

☐ Services are provided in accordance with section 1902(a)(10)(B) of the Act.

☒ Services are not comparable in amount, duration, and scope. Authority of section 1915(g)(1) of the Act is invoked to provide services without regard to the requirements of section 1902(a)(10)(B) of the Act.

D. Definition of Services:
See attachment.

E. Qualification of Providers:
See attachment.

SUPERSEDES 90-43

STATE <u>Texas</u>	A
DATE REC'D <u>9-5-03</u>	
DATE APP'D <u>7-30-04</u>	
DATE EFF <u>9-1-03</u>	
HCFA 179 <u>03-11</u>	

TN No. 03-11
Supersedes
TN No. 90-43

Approval Date 7-30-04 Effective Date 9-1-03
HCFA ID: 104P/0016P

**Case Management Services
High-Risk Pregnant Women**

D. Definition of Services:

Case management services for high-risk pregnant women and children birth through age 20 with a health condition/health risk will include:

- A. A non-billable intake with each client/family. The intake will include the collection of demographic information and determination of the client's eligibility.
- B. Comprehensive Visit - a face-to-face visit that includes the development of:
 - 1. Family Needs Assessment--a written evaluation of all issues that impact the short and long term health and well being of the eligible recipient and her family.
 - 2. Service Plan - the written summary which documents the services to be accessed; identifies the individual responsible for contacting the appropriate health and human service providers; and designates the time frame within which the eligible recipient should access services.
- C. Follow-up contacts - face-to-face or telephone contacts with the eligible recipient and his/her family during which the case manager and the client/family review and reassess the client/family's needs, determine what referrals and services specified in the Service Plan have been received by the client/family, and develop appropriate modifications to the Service Plan. Follow-up contacts for pregnant women should occur as needed through the 59th day post-partum. Follow-up contacts for the children should occur as needed.

SUPERSEDES. TN- 90-43

STATE <u>Texas</u>	A
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Page 1D.2

Service Limitations:

- A. Following intake completion, the initial prior authorization request for a billable contact must be supported by required documentation and submitted to the department for review and disposition. The amount of billable contacts that are prior authorized will be based on the client's level of need, level of medical involvement and complicating psychosocial factors.
- B. Any additional requests for a billable Case Management for Children and Pregnant Women services must also be prior authorized by the Children and Pregnant Women program staff of the Texas Department of Health. Required documentation must be submitted to the department for review and disposition before any additional services may be prior authorized.

SUPERSEDES TN 90-43

STATE <u>Texas</u>	A
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E. Qualifications of Providers:

Case manager qualifications:

- A. Registered nurse (with a diploma, an associate's, bachelor's or advanced degree) or Social Worker (with bachelor's or advanced degree), currently licensed by the respective Texas licensure board and whose license is not temporary or provisional in nature; and
- B. Possessing two years of cumulative, paid, full-time work experience or two years of supervised, full-time educational internship/practicum experience in the past ten years with children, up to age 21, and/or pregnant women. Experience must include assessing the psychosocial and health needs of and making community referrals for these populations.

Case management providers must apply to the Texas Department of Health to become providers and agree to follow established case management rules and policies. Providers must also enroll through the Medicaid claims administrator once approved by the Texas Department of Health.

Case management services for high-risk pregnant women are a part of the Case Management for Children and Pregnant Women service.

SUPERSEDES: TN- 90-43

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38. Case Management for Children and Pregnant Women

The single state agency determines rates in the following manner:

1. Since the single state agency has no historical cost data from which to establish rates for this program, the single state agency calculated rates based on cost and time study data obtained from the initial Medicaid Case Management for Persons with Mental Retardation program. The cost and time study data from this program were chosen because of the similar nature of the services that are being delivered. The single state agency will develop a specific reimbursement methodology using cost-based prospective rates. The methodology used is described below:
2. The single state agency collects several different kinds of data. These include the number of direct service minutes and direct service contacts for both face-to-face and telephone case management services. The cost data include salaries and wages, employee benefits and payroll taxes, travel expenses, building expenses, indirect expenses (overhead and administrative costs), and other direct costs.
 - a. Direct service staff time and number of contacts is collected by each of the categories of service that will be reimbursed: telephone and direct face-to-face time. Direct face-to-face time includes travel time.
 - b. Indirect costs (overhead and administrative) include the salaries, benefits, building expenses, utility expenses and other costs that, while not a part of the direct delivery of case management services, constitute costs that support the operations of the program. Other indirect costs include non-salary related costs such as material and supply expenses.
 - c. Each program's allowable costs are allocated between in-person and telephone on the basis of the ratio between telephone and in-person contact times. Costs per provider per type of contact (telephone and direct face-to-face) are adjusted downward by a staff utilization factor for those providers where less than 60% of the case managers' time is spent providing services to clients. The cost per contact of the resulting median provider is determined to be the rate.

SUPERSEDES TN 90-43

STATE	<u>Texas</u>
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3. Rate setting methodology. The single state agency determines the recommended reimbursement rates using the following method:
- a. Cost per contact. Within each type of contact (telephone and face-to-face), the cost is determined by dividing the total costs (adjusted downward by the utilization factor) of case management services by the total number of client contacts.
 - b. Projected costs. Reported costs are projected prior to being arrayed. The single state agency uses reasonable methods for projecting costs from the historical reporting period to the prospective rate period. The historical reporting period is the time period covered by the cost report. Cost projections adjust the allowable historical costs for significant changes in cost-related conditions anticipated to occur between the historical reporting period and the prospective rate period. Significant conditions include, but are not necessarily limited to, wage and price inflation or deflation, changes in program utilization and occupancy, modification of federal or state regulations and statutes, and implementation of federal or state court orders and settlement agreements. The single state agency determines reasonable and appropriate economic adjusters, as described in state regulations, to calculate the projected costs. The Implicit Price Deflator for Personal Consumption Expenditures (IPD-PCE), which is based on data from the U. S. Department of Commerce, is the most general measure of inflation and is applied to most salaries, materials, supplies, and services when other specific inflators are not appropriate. The three payroll tax inflators, FICA (Social Security), FUTA/SUTA (federal and state unemployment) and WCI (workers' compensation), are based on data obtained from the Statistical Abstract of the United States, the Texas Workforce Commission, and the Texas Board of Insurance, respectively. The single state agency adjusts rates if new legislation, regulations, or economic factors affect costs, as specified in state regulations.

SUPERSEDED TEL 90-43

STATE	<u>Texas</u>
DATE REC'D	<u>9-5-03</u>
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- c. Rate determination. Provider costs, by type of contact (telephone and face-to-face), are arrayed from low to high. The median cost is selected from each type of contact. The single state agency uses those medians as its statewide uniform reimbursement rates. Case Management for Children and Pregnant Women service rates are payable on a per contact basis, for both telephone and face-to-face services.
4. Rate setting authority. The single state agency sets rates that, in its opinion, are within budgetary constraints, adequate to reimburse the cost of operations for an economic and efficient provider, and justifiable given current economic conditions.

SUPERSEDES TN. 90-43

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